



CONNECTICUT

February 3, 2010

BUREAU OF WATER PROTECTION AND LAND REUSE
OFFICE OF THE BUREAU CHIEF
FEB 04 2010

Paul E. Stacey
Department of Environmental Protection
Bureau of Water Protection and Land Reuse
Planning & Standards Division
79 Elm Street
Hartford, CT 06106

Re: Stream Flow Standards and Regulations, RCSA §§ 26-141b-1 to 26-141b-9, inclusive

Dear Mr. Stacey,

On behalf of Connecticut's and the nation's leading small business association, the National Federation of Independent Business (NFIB), thank you for the opportunity to comment on the Department of Environmental Protection's (DEP) proposed Stream Flow Standards and Regulations. This letter is a follow-up to my oral testimony presented before you at the public hearing on January 21, 2010.

About NFIB/Connecticut

NFIB is a non-profit, non-partisan association founded in 1943 that represents the consensus views of its members in Washington and all 50 state capitals. NFIB's mission is to promote and protect the right of its members to own, operate, and grow their businesses. Here in Connecticut, NFIB represents thousands of members and their employees, and membership is scattered across the state and range from sophisticated high technology enterprises to single-person "Mom & Pop" shops that operate in traditional ways. Members can be found in virtually every industry.

Small Business Opposition to the Proposed Regulations

Although well-intentioned, NFIB/Connecticut feels that the Department's proposed stream flow regulations are far-reaching and will undermine Connecticut's economy and quality of life by severely limiting the amount of water available to meet the public health, safety, economic development and agricultural needs of Connecticut's small businesses. Small businesses such as farmers, car washes, restaurants, laundry mats, nurseries and plumbing contractors all rely on a safe, adequate supply of potable water to operate their businesses and meet the needs of their

customers. Homebuilders, realtors, excavation contractors, heavy equipment operators, and others all rely on a robust economy where there is certainty about the ability for expansion and new construction and development to take place. The proposed regulations would significantly reduce the amount of water available to meet these needs are concerned that the ultimate impact of the regulations as currently written may be potential moratoriums on construction and economic development.

Small business owners are already concerned about rising property taxes. NFIB/Connecticut understands that compliance with the draft regulations will impose significant costs on water utilities, both municipal and private. Although the brunt of these costs are likely to be reflected through increased water rates, some costs, e.g. fire protection, decreased revenues from lack of new development, will be passed on to municipalities and their taxpayers, which will hit the commercial tax base particularly hard. Additionally, modifying dams and distribution systems and developing new sources of water supplies will cost ratepayers, including commercial ratepayers, hundreds of millions of dollars. Small businesses in Connecticut are already faced with notoriously high rates for electricity and natural gas, and the last thing they need is for water to receive that dubious distinction as well.

Furthermore, it is our understanding that less than one percent of the streams in Connecticut are documented as having flow impairment issues. Small business owners routinely perform a cost-benefit analysis when making business decisions. Given the limited scope of the problem, it seems that a further cost-benefit analysis needs to be performed and a more narrowly tailored approach to the problem be proposed.

Finally, NFIB/Connecticut is concerned about the actual regulatory impact of the proposed stream flow standards. In the 2008 edition of "*Small Business Problems & Priorities*" by the NFIB Research Foundation, "Unreasonable Government Regulations" ranked as the 6th greatest problem of concern from small business owners, up from its 9th position in 2004. Much like taxes, this generic problem category costs small businesses in several ways: understanding and keeping up-to-date with compliance requirements, costs of consultants, employee time, management time, direct outlays, lost productivity and/or sales, forgone opportunities, etc. The federal government alone proposes approximately 150 new rules every year that cost business owners over \$100 million per rule in compliance costs. Adding state and local laws and regulations merely raises the cost and frustration level for small business.

In 2009, NFIB advocated in favor of regulatory relief and compliance for small businesses by providing for a "preventative look" or comprehensive analyses of the projected impact a proposed regulation will have on small business before it is enacted. This common sense approach not only provides for additional transparency in the regulatory process, but can also ultimately result in better drafted and administered regulations. Ultimately, this concept was embodied in Public Act 09-19, which requires state agencies to conduct and expanded regulatory

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impact analysis. NFIB/Connecticut is concerned that the small business impact analysis understates the potential impact of the regulations. For most small businesses, the impact of additional regulatory compliance (whether direct or "trickle-down") is often felt by customers. In a state with taxes, fees and utility rates that are considerably higher than others, any increased cost of doing business gets passed on to our customers through higher prices for good and services.

Conclusion

Taking into account the aforementioned concerns as well as those expressed in my oral testimony on January 21, 2010, and given the magnitude of the state's economic and budgetary problems, NFIB/Connecticut urges the DEP to reject the proposed regulations as written and hold off on moving forward with regulations that may further derail our economy along with state and municipal budgets, and instead, develop a targeted, manageable approach to addressing those identified streams that have flow impairment issues.

Thank you again for the opportunity to comment.

Sincerely,

A handwritten signature in cursive script, reading "Andrew E. Markowski".

Andrew E. Markowski, Esq.
State Director
NFIB/Connecticut

cc: The Honorable M. Jodi Rell